Residuary Non-Banking Companies (RNBCs) would be required to refrain from accepting retail deposits.

The RNBCs were required to maintain 80 per cent of their Aggregate Liabilities to Depositors (ALD) as per directed pattern of investment.

This discretionary limit of 20 per cent will have to be reduced to 10 per cent of their ALD from April 1, 2005 and to nil with effect from April 1, 2006. In other words discretionary limit will stand abolished from April 1, 2006.

(c) Comprehensive regulatory framework has been put in place which is aimed at protecting the interests of the depositors and ensuring that NBFCs function on sound and healthy lines. The regulatory framework includes, *inter-alia,* compulsory registration, maintenance of liquid assets, transfer of at least 20% of net profit to reserve fund and empowering RBI to issue directions to NBFCs. RBI takes various actions against errant NBFCs for various defaults and contravention of provisions of RBI Act and directions issued thereunder.

**Infrastructure Equipment Finance Bank**

474. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to set up Infrastructure Equipment Finance Bank in the country for extending credit and other facilities to small and marginal civil contractors;

(b) whether customs duty has been exempted for import of construction equipment for the purpose of usage in road construction; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The information is being collected and will be laid on the Table of the House.

**Imposition of Sales Tax on Petro-Products**

†475. SHRIMATI MAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Central Government has recently directed the State Governments not to impose sales tax-on petro-products in order to check the inflation; and

†Original notice of the question was received in Hindi.

(b) if so, the reaction of the State Governments thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Minister of Petroleum and Natural Gas has requested the State Chief Ministers and the Chairman of the Empowered Committee of the State Finance Ministers to reduce/maintain sales tax rates on petroleum products, especially petrol and diesel, at their earlier agreed uniform floor level with a view to containing the impact of high international prices on the domestic consumer prices of these products.

(b) Fifteen States, as per the list is enclosed as statement (*see* below), have acknowledged the receipt of the communication.

***Statement***

*List of States who have acknowledged the communication from Minister (PNG)*

| Sl. No. | Name of State |
|---|---|
| 1. | Andhra Pradesh |
| 2. | Assam |
| 3. | Bihar |
| 4. | Chhattisgarh |
| 5. | Delhi |
| 6. | Jammu & Kashmir |
| 7. | Maharashtra |
| 8. | Meghalaya |
| 9. | Nagaland |
| 10. | Orissa |
| 11. | Punjab |
| 12. | Rajasthan |
| 13. | Uttar Pradesh |
| 14. | Uttaranchal |
| 15. | West Bengal |